

HARDROCK MINING AND RECLAMATION ACT OF 2014

KEY PROVISIONS OF BILL

The bill would:

- Permanently end the patenting of public lands from mining (a moratorium has been in existence since 1994).
- Establish an 8% royalty on new operations and a 4% royalty on existing operations, except for miners with less than \$100,000 in mining income.
- Make certain special lands off-limits to hardrock mining.
- Provide authority to prohibit mining operations that would cause undue degradation of public lands.
- Establish reclamation standards and bonding requirements.
- Create a fund to reclaim and restore abandoned mines and areas impacted by mining activities, and a fund to provide assistance to mining communities.

TITLE-BY-TITLE SUMMARY

Title I – Mineral Exploration and Development

Title I fundamentally reforms two of the most notorious provisions of the 1872 Mining Law: the ability to patent public land and the lack of a royalty on hardrock minerals. The bill permanently ends the ability to patent public land, unless the patent application was submitted prior to September 30, 1994 (there has been an appropriations moratorium on BLM processing new patent applications since October 1, 1994), and establishes an 8% gross income royalty on new mining operations, and a 4% gross income royalty for mines in operation on the date of enactment. Miners with an annual gross income from mineral production of less than \$100,000 are exempted from paying royalties.

This title also increases the annual claim maintenance fee to \$150 (it is currently at \$140), and the one-time location fee to \$50 (currently at \$34). Miners with ten or fewer claims are exempted from the fees.

Title II – Protection of Special Places

Title II puts the following lands off-limits to hardrock mining:

- Wilderness Study Areas,
- Areas of Critical Environmental Concern,
- Roadless areas (as identified in the USFS Roadless Area Conservation Rule of 2001) , and
- Wild and Scenic Rivers (including lands eligible, or under study for, inclusion in the system).

This title also allows state, tribal, and county governments to submit a petition for the withdrawal of tracts of land from mining, and requires the Secretary of the Interior to approve the petition unless the withdrawal is found to not be in the national interest.

Title III – Environmental Considerations of Mineral Exploration and Development

Title III establishes an overall environmental standard for mining activities on public lands, and provides the Secretary of the Interior with the authority to deny permission to mine if mining activities will result in undue degradation of public lands and resources, which is defined in the bill as “irreparable harm to significant scientific, cultural, or environmental resources on public lands that cannot be effectively mitigated.”

This title requires that all mining operations on public lands be conducted under either an exploration permit or an operations permit. An exploration permit would be for a term of no longer than 10 years, cover activities that would not result in the sale of minerals, and require the submission of a reclamation plan. Operations permits would have a more stringent review process, and require the submission of plans for reclamation, monitoring, and long-term maintenance. Operations permits would be for 20-year term, with a 20-year renewal if the operation is in compliance with the permits.

Permit applicants must provide financial assurances sufficient to assure the completion of all reclamation and restoration work, including the cost of treatment facilities, in the event of forfeiture. Lands must be restored to a condition capable of supporting their prior uses, or to other beneficial uses conforming to the applicable land use plans.

This title also protects National Parks and National Monuments from negative impacts due to mining.

Title IV – Mining Mitigation

Title IV establishes a Hardrock Minerals Fund, which would receive all royalties under the Act, as well as a new 7-cents-per-ton fee on displaced materials from hardrock mining, claim maintenance fees above those needed for the administration of the hardrock program, and other smaller sources of funding. In 2007, CBO scored the bill as raising \$692 million over ten years (\$382 million from the fees and \$310 million from the royalties); since the claim maintenance fee was lower in 2007, that component of the score would also now be lower, but the royalties would score higher, reflecting the increase in the price of gold since 2007. The bulk of the funding would come from the displaced material fee, which the administration has included in the budget for the past several years, and is estimated to raise \$200 million per year.

Two-thirds of the Hardrock Minerals Fund would be directed to a Hardrock Reclamation Account, which would be used to reclaim lands and resources affected by abandoned mines. Half of the account would be allocated to states with abandoned hardrock mines in proportion to the amount of current and historical hardrock production in those states, with the other half being distributed by the Secretary to high-priority projects.

One third of the Hardrock Minerals Fund would be directed to a Hardrock Community Impact Assistance Account, to be distributed to states in proportion to the amount of hardrock production in each state. Funds from this account maybe used for planning, construction, and maintenance of public facilities and public services to areas that are negatively impacted by hardrock mining activities.

Title V – Administrative and Miscellaneous Provisions

Title V establishes inspection and monitoring requirements for mining activities, sets civil and criminal penalties for noncompliance (with a cap of \$25,000 per day per violation), proscribes guidelines for administrative and judicial review, authorizes citizen suits, and allows the Secretary to collect user fees to cover costs of administering the Act, among other provisions.

Title VI – Good Samaritan Cleanup of Abandoned Hardrock Mines

Title VI would create a new program under the Clean Water Act under which volunteers (“Good Samaritans”) could obtain permits to conduct cleanups of abandoned or inactive hardrock mines. These permits would provide protection to the Good Samaritans from the full liability and ongoing responsibility provisions of the Clean Water Act, while also requiring the permit holders to meet certain requirements.